

ADE School Finance

GP EMC Meeting Update

January 22, 2021

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Superintendent of Public Instruction

Agenda

- **Distance Learning Adjustments**
- **Results-Based Funding**
- **Aggregate Expenditures Limit**
- **Questions**



Distance Learning Adjustment

- **Executive Orders authorizing distance learning required funding in the same way as Arizona Online Instruction (AOI)**
- **The reported % of scheduled instruction that is distance learning is used to adjust funding for non-AOI students**



Distance Learning Adjustment

The amount of the negative adjustment is equal to the sum of:

Full-time adjustment:

- (Total Weighted Non-AOI) x (% of ADM that is full-time) x (DL%) x 0.05 x (Base Level Amt) x (TEI or 1.0)

Part-time adjustment:

- (Total Weighted Non-AOI) x (% of ADM that is part-time) x (DL%) x 0.15 x (Base Level Amt) x (TEI or 1.0)

LEA Name	Total Weighted Non-AOI	Base Amount	TEI	DL%	% FT	%PT	FT Adjustment	PT Adjustment	DL Adjustment
A+ Charter Schools	249.898	4305.73	1.000	46.44%	100.00%	0.00%	24,984.56	0.00	24,984.56



Distance Learning Adjustment

- Initial distance learning adjustments were applied to the January payment
- (\$266M) total adjustments
 - [Calculation for each district and charter](#) posted on the School Finance website
- Currently based on reported % for the first 40 days of instruction
 - Adjustment amounts will be updated



Distance Learning Adjustment

- Distance Learning adjustment amounts will be updated based on the % of instruction that is DL for the entire school year
- The report and process will be the same as in November
- If there was a significant error in the previously-submitted data, it may be corrected sooner
 - Contact SFBudgetTeam@azed.gov



Distance Learning Adjustment

- School Finance will archive all previously-submitted reports on 1/29
 - However, we recommend waiting until closer to the end of the year to re-submit
- The final DL report will be uploaded in the same way as the report in November
- **Adjustment amounts will be updated before the 5/1 payment for all DL reports submitted by 4/15**
- LEAs must submit final DL reports by 5/14
- Reports may be revised after 5/14 by contacting SFBudgetTeam@azed.gov



Results-Based Funding

- Funding awards based on FY 2019 assessment results and poverty measures
 - [Laws 2020, Chapter 49](#)
- Based on percentage of students passing FY 2019 assessments
- Allocations are posted on the School Finance website
 - [FY2021 Results-Based Funding](#)
- Payments will be made early next week



Results-Based Funding

- **\$400 per student count**
 - **Top 13% of 60%+ FRL schools**
 - **At least 42.50% average passing**
- **\$225 per student count**
 - **Top 27% of 60%+ FRL schools**
 - **36.00% to 42.50% average passing**
 - **Top 13% of all schools**
 - **At least 65.14% average passing**



Results-Based Funding

- **Average passing:**
 - Average of the percentage of all students passing all assessments English Language Arts and Mathematics
 - FY 2019 assessment data is on Accountability & Research Data [webpage](#)
- **Poverty cohort based on the greater of:**
 - % eligible for free or reduced-price lunch
 - [Free and Reduced-Price Percentage Report](#)
 - % income eligibility 1 or 2 on 10/1/18
 - SUPP72 report in AzEDS
 - Students generating fundable ADM



Aggregate Expenditures Limit

- ARS [15-911](#) requires an annual report by **11/1** on aggregate expenditures of local revenue as defined in the [Arizona Constitution](#).
- **\$138 million over the limit in FY 2021**
 - Based on original budgets and budget revisions submitted on or before **10/22**
 - BUDG-AGD report extracts values from submitted budget files
- **BUDG-AGD reports are on the School Finance website and show the calculation for each district**



Aggregate Expenditures Limit

- If the legislature fails to authorize expenditures in excess of the limit:
 - Each district is required to reduce expenditures based on the district's share of expenditures subject to the limit.
 - Budgets must be revised by April 1.
- School Finance is looking into options based on the following:
 - Distance Learning adjustment (~\$266M)
 - Decrease in Average Daily Membership (~\$200M)



Aggregate Expenditures Limit

- **School Finance is currently reviewing the calculation in the BUDG-AGD report.**
- **There have been numerous changes to school funding and the budget file**
- **Review will ensure that the BUDG-AGD report is pulling the appropriate data for the calculations.**



Aggregate Expenditures Limit

- **Prop 208 excludes revenues from the definition of local revenues for the purpose of calculating aggregate expenditures.**
- **ADE will implement consistent with the language in the proposition, unless legal action directs otherwise.**



Teacher Experience Index

- **SDER system will open in February for review/corrections**
- **Deadline for corrections is March 1st**



Questions?

Operations Support Team

Account Analysts
(602) 542-5695

Finance Operations Team

Budgets
SFBudgetTeam@azed.gov

Payments
SFPaymentTeam@azed.gov

[Submit a Help Desk Ticket:](#)

Analysts respond to all Help Desk tickets within 5 business days.

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